

**Making Financial Services and Business Skills
Development Available to African Children and
Youth:
Accomplishments and Limitations of
Research and Monitoring**



Background

- Plan West Africa concerned with the lack of opportunity for out-of-school 15 – 24 year old youth
- Research/consultation with youth (African Movement for Working Children & Youth – AMWCY) revealed youth sought business opportunities combined with access to financial services
- Credit not a priority as much as a safe place to save regularly

Project Design

- Undertaken with youth group representatives from Niger, Senegal & Sierra Leone
- Youth given a voice in project design, implementation & monitoring through Youth Advisory Boards in each country
- Youth representatives on the Regional Project Steering Committee

Project Content

- Pilot mechanism to define the right combination of interventions --
 - Access to financial services via community-based, savings & credit associations
 - Market opportunities training using simple value-chain analysis
 - Entrepreneurship training
 - Life skills training

Financial Services

- Used Village Savings & Loans (VSL) in Niger & Sierra Leone and Savings for Change (SfC) in Senegal
 - Self-selected, self-managed groups of 15 - 25
 - Emphasis on frequent, regular savings for all, small loans for members who want to borrow
 - Savings amounts and loan interest rates determined by group members
 - Share-out of funds with payment of dividend at end of cycle
 - High potential returns on savings

Financial Services Promoters

- Community-managed models promoted by Association Conseil Action (ACA) in Senegal; Association Godia in Niger; CEFORD in Sierra Leone, none of which was an MFI
- Training promoters in methodology provided by Oxfam US in Senegal & VSL Associates in Niger & Sierra Leone
- Promoters also trained in VSL Portfolio Tracking System – state of the art MIS used in most community-managed financial services projects

Financial Services Results

May 2008 – May 2009

- 3,706 youth joined VSL & SfC groups (original target was 3,000). Creation of groups and membership continues to increase
- High female participation in Senegal (89%) & Niger (80%). Low in Sierra Leone (42%)
- Net savings \$28,837 (May 2009)
- Loans outstanding: \$14,133 (May 2009)
- Return on savings:
 - Senegal – 29%
 - Sierra Leone - 4%
 - Niger – no data
- Evidence suggests dramatic scale-up of outreach is possible

Financial Services – Some Conclusions

Youth have responded well to the financial services component. They are eager participants and by and large, their performance is not very different from that of adults. They are a bit less reluctant to borrow, but that is a good thing, given their economic predicament. Youths' response has encouraged the project to believe that dramatic scale-up is possible.

Conclusions (2)

There has been some experimenting with the use of *youth community volunteers* to help the project extend outreach, which has proven successful on a very small scale. However, the system of recruiting, selecting, training and managing CVs needs more direction and structure. Again, the response of youth in this area is not much different from that of adults.

Conclusions (3)

There has been halting progress in the appropriation of the VSL MIS by the implementing partners. More training is necessary to insure better quality data, and especially so that the MIS is used as a management tool and not simply a way of producing project reports.

Market Opportunities Training

- Curriculum developed by Making Cents after needs assessments in the 3 countries
- TOTs organized for implementing organizations
- Trainers certified in the methodology
- Training roll-out in December 2008
- Project funding became very limited in the midst of roll-out

Conclusions:

Market Opportunities Training

- Enthusiastic response by youth, but...
- Monitoring of the non-financial component is very weak, especially in this period of scaled-back operations. No useful data is being collected at the moment in this area.
- Consequently, it remains to be seen is if the training can be used for its intended purpose of identifying viable business opportunities & if youth can transform these into profitable activities.

Some General Conclusions about the Project

- Attention to youth involvement in project design & content has grounded the approach in reality
- Approach to financial services appeals to the savings instinct, minimizes risk and teaches lessons about financial management
- Good monitoring system in financial services can only be valuable when practitioners know how to use it.
- Lack of a monitoring system in non-financial services has left a void in assessing that component

MAGDALENE A. BEAH
21 Years
Freetown, Sierra Leone



“I live with my parents and I used to depend on them completely. When I stopped going to school, I had nothing to do. I had no professional skill or activity to follow...With the help of the Plan project I was able to join a savings and credit group called SELF HELP...I learned to save and to use my money in beneficial ways, instead of before when I would just spend it without reason. Now I have a real understanding of the value of money...In my neighborhood there were no sellers of hair care products. Now I sell these things and have developed a good group of customers and all of this brings me profits.”

N'DEYE FAYE

19 ans

N'Goundiane, Senegal

In our village, N'Goundiane, the dream of all young girls is to work as a maid in a large city, especially Dakar. My aunt with whom I lived was always against this.” When the Plan project arrived, I was finally able to obtain what had been missing, financial capital. I was able to borrow, and with that money, to buy cloth and other things necessary to make attractive outfits and clothing that I sold. I have a very faithful group of customers, because I do good, quality work. In summary, I borrow, I work, I make profits, I reinvest in my work. I no longer think of Dakar and my former dream. Now I feel good in N'Goundiane where I have an activity that works well and makes me money.



SOUMANA AMADOU ADAMA

23 years

Niamey, Niger

“I failed my baccalaureate exam in 2006...“A woman extension agent told me about the Plan project, and based on the strength of her persuasion I decided to go along...My involvement caused me to organize a number of friends in the neighborhood into a group. The members designated me as a “community volunteer...I was given seven days training by the project and then started practicing in the field under the supervision of the extension agent. I was able to organize and train five new groups. At the same time I participated in my own group where I saved like all the other members. . Before all of this I did not manage my expenditures, but now I’m organized. I’ve learned to save, to make regular contributions; in brief, to live as a part of my group respecting all the rules that govern the group...Being a “community volunteer” has changed my situation and kept me from being unemployed...The project has changed my life.”

